GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:921
ANSWERED ON:19.07.2002
KISAN CREDIT CARDS
AJAY SINGH CHAUTALA;LAXMINARAYAN PANDEY

Will the Minister of FINANCE be pleased to state:

(a) the criterion fixed by banks and financial institutions for issuing credit cards to farmers alongwith the names of banks/financial institutions designated for this purpose;

(b) the number of credit cards issued to farmers by different banks and financial institutions till date, State-wise;

(c) whether the Government have received any complaints against the banks and financial institutions regarding irregularities in issuing credit cards to farmers;

(d) if so, the State-wise details of the complaints received by the Governments during the last three years and the action taken by the Government thereon; and

(e) the steps likely to be taken by the Government in this regard in future?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANT G. GEETE)

(a): In terms of the operational instructions for implementation of Kisan Credit Cards (KCCs) Scheme issued by Reserve Bank of India (RBI), banks may provide KCCs to farmers who are eligible for sanction of production credit for cultivation purposes.The scheme primarily caters to the short term credit requirement of farmers and is implemented by commercial banks, regional rural banks and co-operative banks.

(b): As reported by National Bank for Agriculture and Rural Development (NABARD), 2.37 crore KCCs have been issued since inception of the scheme upto 31 March, 2002 to farmers in all the States/Union Territories together by all the banks. The State-wise details are given in Annexure.

(c), (d) & (e): RBI and NABARD have reported that no specific complaints have been received by any bank regarding irregularities in issuing credit cards to farmers. However, few complaints had come to the notice of NABARD during a study conducted on implementation & operational problems of KCC Scheme.These related to non-covering of farmers requiring credit limit of less than Rs.5,000/-, lack of awareness of KCC Scheme, farmers not getting the benefit of personal accident insurance, reluctance on the part of banks to allow frequent drawals/repayments by farmers, cumbersome documentation, etc. NABARD has examined these complaints and has also simplified the process of issue of KCCs. The condition of non-covering of farmers requiring credit limit of less than Rs.5,000/- has since been withdrawn. Banks have also been advised regarding the other nature of complaints observed and have been asked to take necessary action to correct the same.